IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Application Number	09/688,694	Confirmation No.:	2049
Applicant	Christopher R. Lefebvre *et al.*		
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Title	METHOD AND SYSTEM FOR RETAINING CUSTOMER LOYALTY		
TC/Art Unit	3622		
Examiner:	Boveja, Namrata		
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SECOND REPLY BRIEF

In response to the Supplemental Examiner's Answer mailed December 9, 2008, which provides a new grounds of rejection of claims 19 and 22-28 under 35 U.S.C. § 101 and maintains the rejection of claims 19, 22-29 and 32-38 under 35 U.S.C. § 103, Appellants respectfully request that the Board of Patent Appeals and Interferences ("Board") reconsider and reverse the rejections of record.

I. STATUS OF CLAIMS

Claims 19, 22-29 and 32-38 are pending in the application. Claims 1-18, 20-21, and 30-31 were previously cancelled. The rejections of claims 19 and 22-28 under 35 U.S.C. § 101 and claims 19, 22-29 and 32-38 under 35 U.S.C. § 103 are appealed.

II. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

The following grounds of rejection are to be reviewed on appeal:

(1) The rejection of claims 19 and 22-28 under 35 U.S.C. § 101 as allegedly being directed to non-statutory subject matter; and

(2) The rejection of claims 19, 22-29 and 32-38 under 35 U.S.C. § 103(a) as allegedly being unpatentable over U.S. Patent No. 5,822,410 to McCausland *et al.* ("McCausland") in view of Gasner, Steve, "Forging a Link Between Retention and Profits," Credit Card Management, New York, April 1992, Vol. 5, Iss. 1, pp. 84-88 ("Gasner").

III. ARGUMENTS

The Office has failed to show that (1) claims 19 and 22-28 are directed to non-statutory subject matter and (2) claims 19, 22-29 and 32-38 are obvious based on the McCausland and Gasner references. Each of the specific claims and the impropriety of the rejections is addressed below.

A. The Rejection Of Claims 19 and 22-28 under 35 U.S.C. § 101

The Supplemental Examiner's Answer improperly issues the new grounds of rejection under 35 U.S.C. § 101 because claims 19 and 22-28 are directed to statutory subject matter, namely the method claims are tied to a machine.

The Method Claims are Tied to a Computer-Based System

On December 9, 2008, a Supplemental Examiner's Answer was mailed providing a new grounds of rejection under 35 U.S.C. § 101, alleging that claims 19 and 22-28 were not directed to statutory subject matter. However, Appellants respectfully disagree.

For example, independent claim 19, with emphasis, recites:

> A ***computer implemented*** method for providing one or more tailored incentives to a customer in response to a customer request, the ***computer implemented*** method comprising the steps of:
>
> receiving a request from a customer, wherein the request is received by a provider or provider representative;
>
> retrieving account data associated with the customer in response to the request where the account data is ***displayed on a graphical user interface***, wherein the account data is verified for the customer;
>
> identifying the request as a request type from a list of predetermined request types, ***at a type module***, where the request type identifies the customer's current situation;
>
> identifying the customer as a customer segment, ***at a customer segment module***, where the customer segment identifies the customer's past behavior;

identifying one or more incentives, *at an incentive module*, based on the request type, the customer segment and one or more profitability factors associated with the provider of the one or more incentives; and

offering the customer at least one of the identified one or more incentives for retaining the customer in response to the request, wherein the request is a request to terminate a relationship with the provider;

wherein the steps of identifying the request as a request type, identifying the customer as a customer segment and identifying one or more incentives are performed in response to the step of receiving a request from a customer; and

wherein the one or more incentives comprises at least one product or service offered by a financial institution.

Claim 19 clearly recites method steps that are tied to a particular machine, which is considered statutory subject matter under *In re Bilski,* 545 F.3d 943 (Fed. Cir. 2008). In particular, the method of claim 19 is a "computer implemented method" where the steps of the method are performed by a number of additional recited components of a computer-based system. One of these components recited in claim 19 is a "graphical user interface" for displaying received account data. A graphical user interface typically comprises a software component stored on a memory and a computer screen, both of which are machines. Additional components recited in claim 19 include "a type module" for identifying request types, "a customer segment module" for identifying a customer as a customer segment, and "an inventive module" for identifying one or more incentives. Appellants note that the Board, in *Ex parte Bo Li,* Appeal No. 2008-1213, recently cited similar "modules" in concluding that the claim at issue in that case constituted statutory subject matter under 35 U.S.C. § 101. *Bo Li* at p. 9. Therefore, it is respectfully submitted that Appellants' claim 19, which recites a computer implemented method, a graphical user interface, and a number of specific modules, satisfies 35 U.S.C. § 101.

It should be appreciated that the Board, in *Ex parte Halligan*, Appeal No. 2008-1588, recently acknowledged that a "programmed computer method" limitation alone "fails to impose any meaningful limits on the claim's scope as it adds nothing more than a general purpose computer that has been programmed in an unspecified manner to implement the functional steps recited in the claims." *Halligan* at p. 27. However, claim 19 is clearly distinguishable from *Halligan* because the computer implemented method of claim 19 also includes specifically recited computer-based components, as identified above. Appellants also note that claim 19 is distinguishable from the recent case of *Ex parte Gutta*, Appeal No. 2008-3000. In that case, the Board held that "the step of 'displaying' need not be performed by any particular structure...[and] may...simply be accomplished by writing...on a piece of paper." *Gutta* at p. 5. Appellants' claim 19, by contrast, recites a graphical user interface, which typically comprises a software component stored on a memory and a computer screen, both of which are machines.

For the foregoing reasons Appellants respectfully submit that method claims 19 and 22-28 are in compliance with the statutory requirements of 35 U.S.C. § 101 and recite patent eligible subject matter. In view of the foregoing, Appellants respectfully request that the rejections under 35 U.S.C. § 101 be reversed.

B. The Rejection Of Claims 19, 22-29 and 32-38 under 35 U.S.C. § 103(a)

The Supplemental Examiner's Answer continues to repeat at least the following errors in this case:

- That McCausland and Gasner teach each and every limitation of the claimed invention;
- That Gasner cures the deficiencies of McCausland; and

- That there is a prima facie case of obviousness for combining McCausland and Gasner.

The Supplemental Examiner's Answer Fails to Show that McCausland or Gasner Teach Each and Every Limitation of the Claimed Invention

The Supplemental Examiner's Answer fails to address a critical point regarding the deficiency in the proposed McCausland/Gasner combination. Neither reference teaches the claimed steps of "***identifying the request as a request type from a list of predetermined request types***, at a type module, where the request type identifies the customer's current situation;" "identifying the customer as a customer segment, at a customer segment module, where the customer segment identifies the customer's past behavior;" "identifying one or more incentives, at an incentive module, ***based on the request type, the customer segment and one or more profitability factors associated with the provider of the one or more incentives***;" and "offering the customer at least one of the identified one or more incentives for retaining the customer in response to the request, wherein the request is a request to terminate a relationship with the provider;" "***wherein the steps of identifying the request as a request type, identifying the customer as a customer segment and identifying one or more incentives are performed in response to the step of receiving a request from a customer***;" and "***wherein the one or more incentives comprises at least one product or service offered by a financial institution***," as recited in claim 19.

For the limitation directed to "***identifying the request as a request type from a list of predetermined request types***, at a type module, where the request type identifies the customer's current situation," the Supplemental Examiner's Answer relies on column 8, lines 49-lines 54 and Table 2 of McCausland. *See, e.g.,* page 9, Supplemental Examiner's Answer mailed December 9, 2008. However, McCausland fails to properly identify at least this claim limitation.

For example, column 4, lines 17-22 of McCausland states that "*potential* customer problems...are data item categories from database 42...that are *likely to indicate* a problem the customer *may* be having." Furthermore, Table 2 of McCausland is not a list of predetermined request types, but rather a list that is "scored using thresholds set by the system administrator" to assist "potential customer problem factors to be predictive." In other words, the items in Table 2 are, at a best, a list of symptoms that are scored to point to and predict a *likely potential problem.* This is clearly distinguishable from actually *identifying* the request as a request type as claimed. Column 9, lines 22-54 of McCausland further indicates that a system administrator, rather than a computer implemented scheme finds the potential problems. Therefore, the detail records which refer to whether or not calls have been dropped, call durations, feature usage, called parties, *etc.*, merely refer to situations where the administrator seeks to find resolution, not an actual identification of a request type. In addition, Figure 11 fails to illustrate any ability ***to identify the request as a request type from a list of predetermined request types***. In fact, there is no possible data field for this feature. Therefore, McCausland fails to properly address the ability to identify the request as a request type by a computer implemented method as claimed.

For the limitation "offering the customer at least one of the identified one or more incentives for retaining the customer in response to the request, wherein the request is a request to terminate a relationship with the provider," the Supplemental Examiner's Answer points to column 11, lines 40-46, column 12, lines 42-52, and Table 2 and purports that Appellant's argument that "a customer either allows a contract to lapse thereby automatically terminating the contract or the customer will sign up for another term" is "true," but asserts that it is "not complete" and "not exhaustive." *See, e.g.,* page 9, Supplemental Examiner's Answer mailed December 9, 2008. The reason alleged by the Supplemental Examiner's Answer is that "a

customer of a cell phone company frequently calls the provider when his contract is about to end to seek out a better deal, gain information on new contracts, and to prevent being automatically being locked into a new contract without have the opportunity to shop around" and "customers also call to cancel their contract to move to different providers while keeping the same mobile numbers." *See, e.g.,* page 9, Supplemental Examiner's Answer mailed December 9, 2008. However, these explanations alleged in the Supplemental Examiner's Answer are wholly unsupported. If fact, nowhere in McCausland are any of these explanations discussed or referenced. McCausland simply does not address at least these claimed features. Therefore, McCausland fails to properly address that the request is a request to terminate a relationship with the provider, as claimed.

For the limitation "identifying one or more incentives, at an incentive module, based on the request type, the customer segment and one or more profitability factors associated with the provider of the one or more incentives," the Supplemental Examiner's Answer alleges that McCausland teaches this limitation in "free minutes or a free battery pack." *See, e.g.,* page 10, Supplemental Examiner's Answer mailed December 9, 2008. However, the incentives of McCausland are not based on a combination of the request type, the customer segment and one or more profitability factors. In fact, there is no disclosure in McCausland that supports the Supplemental Examiner's Answer's baseless conclusions. Rather, McCausland clearly states that task 194 derives "an offer value using the customer worth for this customer/unit." *See, e.g.*, column 13, lines 57-58. Thus, there is no mention of basing an incentive on the <u>combination</u> of the request type, the customer segment and one or more profitability factors.

Even assuming, for the sake of argument, that McCausland teaches the combination of these elements for determining an incentive, McCausland fails to teach the sequence of these

features in determining an incentive. The Office acknowledges this deficiency in the Supplemental Examiner's Answer by specifically requesting that "if the [Appellant] intended to claim that first an incentive is determined based on the request type, the list of potential incentives is filtered based on customer segment, and thirdly the list is filtered based on one or more of the profitability factors, the [Appellant] needed to have claimed the sequence of steps." *See, e.g.*, page 10, Supplemental Examiner's Answer mailed December 9, 2008. However, Appellant points out that the requested sequence is already recited in the claimed invention. In fact, each of the steps identified by the Supplemental Examiner's Answer refers to the previous step. For example, identifying the request as a request type from a list of predetermined request types is based on the "request from a customer" and "where the request type identifies the customer's current situation," identifying a customer segment, at a customer segment module, refers to past behavior that is based on "the customer who put in the request," and identifying one or more incentives, at an incentive module, is "based on the request type, the customer segment and one or more profitability factors." Therefore, McCausland fails to teach this sequence of steps clearly presented in the claimed invention. Furthermore, the fact that the Office appears to indicate that this sequence is novel and unique by requesting such a sequence be claimed clearly shows the deficiency of McCausland in teaching at least this critical feature. Thus, the Supplemental Examiner's Answer again has not properly addressed at least this claim limitation.

The disclosure of McCausland, rather, is directed to determining churn likelihood. In other words, McCausland is directed to a predictive tool that performs calculations to determine the likelihood of future events that may or may not actually occur. In contrast, the claimed invention identifies a request type, identifies a customer segment and identifies incentives *in*

response to a request from a customer. Therefore, McCausland fails to disclose at least the limitation "wherein the steps of identifying the request as a request type, identifying the customer as a customer segment and identifying one or more incentives are performed *in response to the step of receiving a request from a customer.*"

Gasner Fails to Cure the Deficiencies of McCausland.

Acknowledging the deficiencies of McCausland, the Supplemental Examiner's Answer relies on a secondary reference, the Gasner article. McCausland admittedly fails to disclose at least "***wherein the one or more incentives comprises at least one product or service offered by a financial institution.***" *See, e.g.,* pages 3-5, Supplemental Examiner's Answer mailed December 9, 2008. For this deficiency, the Supplemental Examiner's Answer relies upon the Gasner article's general discussion of retaining existing customers for bank card issuers. *See, e.g.,* Abstract, Gasner. In fact, the purpose of the Gasner article is to discuss "how statistical modeling can lead to portfolio profit optimization." Thus, the Gasner article fails to meet any of the deficiencies discussed above. Accordingly, the combination of the McCausland and the Gasner article fails to address each and every claim limitation of independent claim 19.

The Supplemental Examiner's Answer Fails to Present a Prima Facie Case of Obviousness for Combining McCausland and Gasner

Even assuming, for the sake of argument, that McCausland and Gasner teach all the claimed limitations, the Supplemental Examiner's Answer has failed to provide a *prima facie* case of obviousness for combining McCausland and Gasner. Rather, the Supplemental Examiner's Answer alleges that it would have been obvious to a person of ordinary skill in the art at the time of Appellants' invention to modify McCausland "to include providing products offered by a financial institution as retention incentives ***if*** McCausland's method was implemented to solve the retention problem for a financial services company ***instead*** of a cellular

company. *See, e.g.,* pages 4-5, Supplemental Examiner's Answer mailed December 9, 2008 (emphasis added). Therefore, the rationale relied upon by the Supplemental Examiner's Answer is based on *if* McCausland's method for establishing rules for predicting the likelihood of churn in the cellular phone industry churn was *instead* implemented in a financial services company. Such a rationale is nothing more than mere assumption and improper conjecture by the Office. Therefore, the Supplemental Examiner's Answer has failed to explain why one of ordinary skill in the art would have found it obvious to make the proposed substitution, absent improper hindsight.

The rejection of independent claim 19 over McCausland and the Gasner article is a classic example of hindsight reconstruction that is contrary to the law. The Supplemental Examiner's Answer has failed to set forth a *prima facie* case of obviousness for the claims. Here, the Supplemental Examiner's Answer's sole justification for modifying McCausland has absolutely nothing to do with the deficiencies of McCausland. As admitted by the Supplemental Examiner's Answer, McCausland fails to show at least "***wherein the one or more incentives comprises at least one product or service offered by a financial institution.***" Furthermore, the Supplemental Examiner's Answer's justification for modifying McCausland is based on "*if* McCausland's method was implemented to solve the retention problem for a financial services company *instead* of a cellular company." This alleged statement to combine again has absolutely nothing to do with the deficiencies of McCausland. To properly modify McCausland to correct for these major deficiencies, the Office has the burden to show *why* providing those elements would have overcome some perceived problem with McCausland. The Supplemental Examiner's Answer has noted that "the function of both the McCausland and the Gasner references is to retain customer loyalty similar to the function of the [Appellant's] proposed

invention,...incentives are typically based on the product or service at hand to make that product of service cheaper and therefore more attractive to the consumer,...both of the prior art references and the [Appellant's] proposed invention seek to offer incentives to make the product or service cheaper or more attractive to the customer." *See, e.g.*, page 11, Supplemental Examiner's Answer mailed December 9, 2008. Not only are these statements unsupported in McCausland or Gasner since they are nowhere to be found in the references, they also fail to indicate the deficiencies of McCausland for which Gasner allegedly cures. Comparing the alleged likeness of the references to the claimed invention merely contributes to Appellant's contention that Office's combination is based on improper hindsight reconstruction.

Even assuming, for the sake of argument, that the McCausland and the Gasner article could be modified as suggested by the Supplemental Examiner's Answer, the resulting combination would nevertheless fail to show each and every limitation claimed by Appellants, as discussed above. More specifically, any combination of McCausland and the Gasner article still fails to disclose "***wherein the one or more incentives comprises at least one product or service offered by a financial institution***." Thus, the Office has clearly failed to reach the initial burden in providing proper rationale of obviousness for modifying McCausland. As a result, since the Office has failed to present a *prima facie* case of obviousness for a proper rejection under 35 U.S.C. § 103, the purported modification fails.

Claim 29 contains similar limitations to claim 19 and is therefore allowable for at least the above reasons. Dependent claims 22-28 and 32-38 are dependent upon either independent claims 19 or 29. Therefore, in view of the foregoing, claims 22-28 and 32-38 are allowable for at least the reasons above with reference to claims 19 or 29.

IV. CONCLUSION

Because the claims of present invention are patent eligible subject matter in compliance with the statutory requirements of 35 U.S.C. § 101 and the cited references fail to disclose or render obvious all features set forth in the pending claims, Appellants submit that the pending claims are allowable over the cited reference. Accordingly, Appellants respectfully request that the Board reverse the rejections set forth in the Action, and allow all of the pending claims. Authorization is hereby granted to charge or credit the undersigned's Deposit Account No. 50-0206 for any fees or overpayments related to the entry of this Appeal.

Respectfully submitted,

Date: February 6, 2009

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